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Report Highlights:

Drought and a heat wave reduced EU-15 raw sugar output to 16.5 MMT in 2003/04. 2004/05 output is forecast at exactly the same level, with yield improvements offset by reduced area planted to sugarbeet. Low prices for C sugar beet and a difficult environment for exports have helped to keep area and hence production levels for 2004/05 down to this low level.

In May, 10 countries join the EU. The first estimate of EU-25 production for 2004/05 is 19.6 MMT, of which 3.4 MMT is in the ten New Member States (NMS). This will raise predicted EU exports in 04/05 from 4.7 MMT to 5.23 MMT (raw sugar).

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Note

This report provides a PSD data and information for the EU-15. Unofficial estimates for the New Member States 10 (NMS) and EU-25 are provided for Marketing Years (MY) 02/03 to 04/05 for informational purposes. However, intra-EU-25 trade has not been netted out of the trade estimates (trade between, for example, Germany and Poland which would disappear from EU-25 extra-EU trade estimates) and the footnotes to the EU-25 PSDs should be referred to.

Following EU enlargement on May 1, 2004, FAS will switch to reporting an EU-25 number, however Post will continue in the meanwhile to provide EU-15, NMS-10 and EU-25 balances for comparison purposes.

Post would like to thank FAS/Brussels, FAS/Budapest, FAS/Prague, FAS/Vienna and FAS/Warsaw for contributions towards compiling this report.

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Executive Summary

EU-15 production of sugar from beet dropped nearly 12% in Marketing Year (MY) 2003/04 due partly to the heat wave and drought across the EU in the summer of 2003, as well as a 7% reduction in area planted to sugar beet in MY 03/04. This area reduction was partly due to the substantial MY 02/03 output levels which lead to high levels of sugar being carried over as well as creating the expectation of sugar quota cuts.

In MY 04/05, provisional estimates of the area planted to sugar beet show an EU-15 wide reduction of 3.3% to 1.661 M hectares. Yields, assuming average growing conditions, are forecast to recover across the EU-15, rising from 9.42 MT of beet sugar per hectare to 9.67 MT/hectare. This rise in yields would give a level of production almost identical in MY 04/05 compared to MY 03/04, 16.173 MMT raw sugar (14.86 MMT refined sugar equivalents).

Two key factors affected the area planted to sugar beet for sugar production in the EU-15. Firstly, continued improvements in beet yields coupled with the output limits of quotas mean that the area planted to sugar beet continues its long term downwards trend. Secondly, the strength of the Euro against the Dollar and low world prices mean that EU export subsidies for white sugar are now over €500/MT, which may lead to quota cuts due to WTO export subsidy commitments, as well as leading to a low price for C sugar beet which discourages farmers from producing over quota.

Enlargement of the EU to ten new countries (New Member States, or NMS) in May 2004 adds an additional 2.2 M hectares of sugar beet area and 3.4 MMT raw sugar production to the EU. The 10 NMS will receive 3.2 MMT of sugar quotas (raw value). Production levels in the NMS are expected to change little in the short term following enlargement, as they have either reduced output to their new quota levels or have a production level close to their quota. The main exception is Poland which has a forecast output of 2.0 MMT in MY 04/05 compared to a quota of 1.817 MMT (raw value).

Proposals for a reform of the EU sugar regime are still awaited, though probably not before the Fall when the outcome of a WTO Panel against aspects of the sugar regime will be known. The direction of the next regime (the current regime can continue until 2005/06) is likely to see price cuts, possibly compensated by some form of direct payments to sugar growers. However, the future status of the quota system, as well as what happens to EU preferential imports (EBA and ACP) still requires much political discussion.

Production

PSD Table

Country

European Union-15

Commodity

Centrifugal Sugar

(1000 MT)

	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin	08/2002		08/2003		08/2004		MM/YYYY
Beginning Stocks	2717	2717	3581	3864	3355	3256	(1000 MT)
Beet Sugar Production	18412	18405	16856	16211	0	16209	(1000 MT)
Cane Sugar Production	263	266	276	295	0	295	(1000 MT)
TOTAL Sugar Production	18675	18671	17132	16506	0	16504	(1000 MT)
Raw Imports	1750	1613	1750	1750	0	1750	(1000 MT)
Refined Imp.(Raw Val)	400	471	150	250	0	250	(1000 MT)
TOTAL Imports	2150	2084	1900	2000	0	2000	(1000 MT)
TOTAL SUPPLY	23542	23472	22613	22370	3355	21760	(1000 MT)
Raw Exports	5	3	5	3	0	3	(1000 MT)
Refined Exp.(Raw Val)	5595	5278	4895	4700	0	4700	(1000 MT)
TOTAL EXPORTS	5600	5281	4900	4703	0	4703	(1000 MT)
Human Dom. Consumption	14350	14316	14247	14400	0	14400	(1000 MT)
Other Disappearance	11	11	11	11	0	11	(1000 MT)
Total Disappearance	14361	14327	14358	14411	0	14411	(1000 MT)
Ending Stocks	3581	3864	3355	3256	0	2646	(1000 MT)
TOTAL DISTRIBUTION	23542	23472	22613	22370	0	21760	(1000 MT)

Figures in 1,000 MT of raw sugar equivalent

Notes: When converting from white to raw sugar, a conversion factor of 1.087 is used. Sugar produced in French Overseas Departments are included in production data and excluded from trade data. Sugar-containing products are excluded from trade data. Therefore, domestic consumption includes an additional 0.27 MMT to account for net trade in sugar-containing products.

Please see Annex One for unofficial FAS/USEU Centrifugal Sugar and Sugar Beet PSD estimates for the New Member States-10 and EU-25 for 02/03, 03/04 and 04/05.

EU-15 Production

EU-15 production of sugar from beet dropped nearly 12% in Marketing Year (MY) 2003/04 due partly to the heat wave and drought across the EU in the summer of 2003, as well as a 7% reduction in area planted to sugar beet in MY 03/04. This area reduction was partly due to the substantial MY 02/03 output levels which led to high levels of sugar being carried over¹ as well as creating the expectation of sugar quota cuts.

In MY 04/05, provisional estimates of the area planted to sugar beet show an EU wide reduction of 3.3% to 1.661 M hectares. Yields, assuming average growing conditions, are forecast to recover across the EU, rising from 9.42 MT/beet sugar/hectare to 9.67 MT/hectare. This rise in yields would give a level of production almost identical in MY 04/05 compared to MY 03/04, 16.173 MMT raw sugar (14.86 MMT refined sugar equivalents).

Two key factors affect the area planted to sugar beet for sugar production in the EU-15. Firstly, continued improvements in beet yields coupled with the output limits of quotas mean that the area planted to sugar beet continues its long term downwards trend, for example, the MY 04/05 estimate of French beet planted area (for production of sugar) is only 345,000 hectares, the lowest level since 1960.

Secondly, the continuing strength of the Euro against the US Dollar make European exports less competitive, particularly for commodities traded in Dollars. This in turn reduces the price paid by sugar processors for 'C' beet². The price paid to farmers for C sugar has fallen in the last couple of years, from €15.91/MT in France in 2000/01, €11.56/MT in 2001/02, €9.84/MT in 2002/03 to a current (April 2004) quotation of €8.52/MT. In Belgium, where record yields were recorded in 2003/04, FAS/Brussels reports that only €6/MT was paid for C beet, and the cost of transport from the field to the beet supply center is further deducted from this amount, leaving the farmer with €4 to €4.50/MT. In Belgium, this is well below the cost of production, encouraging farmers to plant the minimum possible beet in order to at least fulfill their A and B quotas³.

In addition, the strong Euro, coupled with low world sugar prices means that a very high level of export subsidy is required for in quota sugar exports. During MY 03/04, the level of EU export subsidy has reached record levels (€531.64/MT subsidy in early January!), and is currently €502.50/MT. This could help to push the EU close to its WTO subsidy limits, which could lead to a cut in the MY 04/05 A and B quotas and as a consequence could encourage farmers to limit beet plantings⁴. A further factor adding to the uncertainty over export levels for MY 03/04 is the changes to export subsidy rules outlined in the trade section.

¹ Producers can 'carry-over' up to 20% of the amount of their A quota from one MY to the next. In practice, this means that C sugar (usually to be exported outside of the EU without subsidies) becomes the first slice of A quota sugar for the following MY. This obviously reduces the amount of A quota available and would be expected to lead to reduced production in that MY.

² C sugar is over quota production that must eventually be exported outside the EU. The price for C beet is not fixed like for A and B quota beet.

³ Farmers are penalized for under producing on their A and B quotas, and risk losing their allocation in future years should they do so, as well as missing out on a potentially profitable opportunity. In addition, the contracts between growers and processors stipulate that the farmer cannot sell excess beet to anyone but the processor, so there is little possibility to make good any shortfall.

⁴ The Commission calculations and announcement of any possible quota cuts for 2004/05 would be unlikely to occur before the Fall, however, farmers may have tried to anticipate this decision and have reduced plantings in Spring 2004.

Beet Sugar Production in the EU (in 1,000 MT raw value)

	2002/03	2003/04	2004/05
Austria	471	394	502
Belgium	1108	1118	1001
Denmark	561	535	461
Finland	177	148	167
France - beet	5106	4313	4157
Germany	4355	4068	4293
Greece	322	223	270
Ireland	215	243	221
Italy	1532	978	1172
Netherlands	1112	1166	1056
Portugal	85	65	85
Spain - beet	1302	987	1015
Sweden	470	452	404
UK	1548	1484	1369
Total EU-15	18362	16174	16173
	2002/03	2003/04	2004/05
Czech R.	574	554	513
Estonia	0	0	0
Cyprus	0	0	0
Latvia	91	72	75
Lithuania	150	119	127
Hungary	378	274	404
Malta	0	0	0
Poland	2250	2011	2000
Slovenia	25	22	49
Slovak R.	200	192	204
Total NMS-10	3668	3244	3372
Total EU-25	22030	19418	19545

Note: In addition to sugar produced from beet, there is a some production of sugar from molasses in both Germany (9,750 MT in 2003/04) and Austria (23,800 MT in 2003/04). This is accounted for in the centrifugal sugar PSD where it is added to the Beet Sugar Production line, but is not reflected in the above table.

EU Sugar from beet, crop area and yields

	Area (1000's hectares)			Yield (MT raw beet sugar/hectare)		
	2002/03	2003/04	2004/05	2002/03	2003/04	2004/05
Austria	44	43	45	10.70	9.16	10.64
Belgium	98	93	90	11.30	12.02	11.12
Denmark	55	50	48	9.67	10.78	9.61
Finland	32	30	32	5.53	5.01	5.21
France	409	367	345	12.48	11.75	12.05
Germany	459	444	444	9.49	9.16	9.67
Greece	41.5	42	38	7.75	5.37	7.11
Ireland	31	31	31	6.95	7.85	7.14
Italy	246	215	190	6.23	4.55	6.17
Netherlands	109	106	103	10.21	11.05	10.25
Portugal	9	8	9	9.42	8.72	9.41
Spain	114	100	103	11.42	9.87	9.85
Sweden	54	50	48	8.70	9.04	8.42
U.K.	148	140	135	10.46	10.60	10.14
Total EU-15	1850	1719	1661	9.91	9.42	9.67
	2002/03	2003/04	2004/05	2002/03	2003/04	2004/05
Czech R.	77.5	77.3	70	7.41	7.17	7.33
Estonia	0	0	0	0.00	0.00	0
Cyprus	0	0	0	0.00	0.00	0
Latvia	15.9	15	15	5.72	4.80	4.99
Lithuania	29.2	29.2	27	5.14	4.08	4.71
Hungary	55	49	60	6.87	5.59	6.73
Malta	0	0	0	0	0	0
Poland	300.5	286.3	280	7.49	7.02	7.14
Slovenia	4.4	5	8	5.68	4.40	6.09
Slovak R.	31	31	34	6.45	6.19	6
Total NMS-10	513.5	492.8	494	7.14	6.58	6.83
Total EU-25	2363	2212	2155	9.32	8.78	9.07

Note: Area does not include sugar beet grown for other purposes than for sugar, for example, alcohol, but this production is included in the Sugar Beet PSD.

New Member States Production

For MY 04/05, sugar output in the New Member States has been forecast at 3.405 MMT, rebounding from the drought affected MY 03/04 of 3.244 MMT. This output level is some 185,000 MT higher than the EU A+B sugar quotas available to these countries (3.215 MMT, raw value). Poland accounts for most of this amount, with production for MY 04/05 provisionally estimated at 2.0 MMT, but with a quota of only 1.817 MMT available (raw sugar equivalents).

	NMS-10		
	02/03	03/04	04/05
Beginning Stocks	783	917	1082
Beet Sugar Production	3668	3244	3405
Cane Sugar Production	0	0	0
TOTAL Sugar Product'n	3668	3244	3405
Raw Imports	7	7	7
Refined Imp. (Raw Val)	305	600	250
TOTAL Imports	312	607	257
TOTAL SUPPLY	4763	4768	4745
Raw Exports	70	10	0
Refined Exp. (Raw Val)	560	460	525
TOTAL EXPORTS	630	470	525
Human Dom. Cons'n	3200	3200	3200
Other Disappearance	16	16	16
Total Disappearance	3216	3216	3216
Ending Stocks	917	1082	1004
TOTAL DISTRIBUTION	4763	4768	4745

Note: NMS trade includes trade between different acceding EU countries.

Sugar Quotas by New Member State

Country	Sugar A	Sugar B	Sugar A+B	Isoglucose A	Isoglucose B	Isoglucose A+B
Hungary	435293	1337	436631	127627	10000	137627
Latvia	72177	114	72291	0	0	0
Lithuania	111972	0	111972	0	0	0
Poland	1717460	99924	1817384	24911	1870	26781
Czech R.	479594	14841	494435	0	0	0
Slovakia	206269	19209	225479	37522	5025	42547
Slovenia	52347	5235	57582	0	0	0
Total	3075210	140660	3215870			206955

Note: Raw Sugar Values for Sugar.

Consumption

Sugar consumption continues to be stable in the EU-15 at around 14.0 to 14.1 MMT.

Trade

The removal of zero duty access to EU markets for Serbia and Montenegro in May 2003 has helped to bring down EU sugar imports during MY 03/04. EU-15 refined imports (in raw equivalents) are estimated to have declined from 471,000 MT in 2002/03 to 250,000 MT in 2003/04. The 2004/05 import forecast is set to the 2003/04 level, which is based on the European Commission not permitting Serbia to recommence exports. As reported in GAIN Report [E24014](#), the European Commission recently extended the Serbian suspension for a further six months through to the Summer of 2004. As reported in the EU Sugar Semi-Annual in 2003, Serbian sugar producers have offered to limit exports to the EU in return for the lifting of the sugar suspension. If this was to occur, then EU imports would need to be revised upwards by this amount, with stocks rising by a corresponding amount (which assumes that the additional surplus creating by this extra influx of imports would not be exported). In turn, this would probably reduce 2005/06 production by a comparable amount.

EU Tenders 2003/04

Export subsidy tender awards for MY 03/04 to date (up to April 1 2004) have been 1.302 MMT, compared to 1.426 MMT for the same period in MY 02/03.

It is reported that there are problems with delays in the payment of export restitutions creating serious difficulties for the export trade. In March 2003, the Commission introduced rules differentiating export subsidies, so that exporters had to prove that they had exported quota sugar outside of either the NMS or the Western Balkans. However, the additional documentation in the form of proof that exported sugar had been customs cleared, instead of the previous proof of discharge at a foreign port, as well as caution from the member State agencies (such as FIRS in France) who have to verify this information has led to significant delays in the payment of export restitutions, in some cases, delays of over twelve months have been reported (as opposed to typically one to three months previously). The national agencies could be held accountable by the Court of Auditors for incorrectly verified payments, a situation which hardly encourages them to proceed rapidly. While, EU rules were adapted in January 2004 so that only proof of transport, unloading or payment would serve as sufficient documentation, the national agencies are still reported to be proceeding with verifications cautiously.

This has created not only credit problems for sugar traders and exporters but could also lead to reduced EU sugar exports. Should exports decline, this will increase stocks, which in turn will probably reduce future beet plantings as farmers could reasonably expect an increase in sugar carry-over to reduce the following campaigns A and B quota allocations.

Stocks

Stocks in the New Member States

On May 1st 2004, when the NMS join the EU, they adopt the EU's external tariffs. Currently, the EU tariff for refined sugar is €419/MT. In the NMS, refined sugar import tariffs range from zero in Estonia, to 68% in Hungary and 96% in Poland. Faced with a situation of rising tariffs, as well as the adoption of the EU sugar prices (with a derived EU refined sugar intervention price around €630), there is clearly an incentive for NMS operators to import additional sugar prior to EU enlargement for use after May 1. In addition, until the 30th April 2004, many of the NMS have preferential import tariffs for sugar, in particular with other NMS countries.

The European Commission has long been aware of this possibility, and in December published a Regulation to tax excess stocks of sugar being held in the NMS on May 1 to try to discourage this practice. Further details and links to the [legislation](#)⁵ are provided in GAIN Report [E24014](#)⁶.

However, despite this Regulation, the incentive to import sugar requirements early and 'hide' the stocks from official controls is substantial, which is reflected in the NMS-10 sugar PSD with a rise in imports for MY 03/04, and a subsequent rise in stocks at the end of 03/04. During 04/05, imports are forecast to fall to much lower levels and the stocks to start being drawn down. Exports are also estimated to decline in 03/04 returning to a more typical pattern in 04/05. Consumption levels are estimated to be unchanged between 03/04 and 04/05.

The actual level of this type of stock behavior is very difficult to estimate and because of the hidden or undeclared nature of this effect, it will probably remain difficult to quantify ex-post as well. In addition, the fines levied on 'excess' stocks that are not exported outside the EU-25 before 31 July 2005, will go towards the 2004/05 EU sugar budget. For other agricultural commodities, such as cereals, the excess stocks levies go to the national government budget. This will probably act to reduce the amount of effort that NMS governments put into controlling sugar stocks.

Several of the NMS, notably Poland, have been pressing the Commission to ease these rules, with Polish Deputy Agriculture minister Jerzy Plewa threatening to take the issue to court.

However, the 'excess' stocks are expected to remain in the NMS and are therefore unlikely to disrupt EU-15 Member States, so no impact is seen for the EU-15 PSD estimates.

⁵ http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/L_009/L_00920040115en00080012.pdf

⁶ <http://www.fas.usda.gov/gainfiles/200401/146105290.doc>

Policy

Reform of the Sugar Regime

As outlined in the EU Sugar Semi-Annual (GAIN Report [E23194](#)), the European Commission is preparing proposals for reforming the EU sugar regime (policy). Formal proposals have yet to be presented by the European Commission, though they have said that they will submit proposals by the end of July. In practice, as the Commission is more or less closed for the August holiday month, this means in the Fall.

With the results of the WTO panel on EU sugar due to report in September 2004, which may have an important bearing on the direction of the sugar regime reform, it seems unlikely that the Commission would want to publish formal proposals prior to when the outcome of this case is known.

However, it is possible that they could present some form of more informal discussion document. It should also be noted that the current Agriculture Commissioner, Franz Fischler's term of office runs out at the end of October 2004. It is not yet known who the new Agriculture Commissioner will be, or even which country he/she is likely to come from.

Several factors the Commission will need to take into account when planning the reform include:

- The European Commission is currently in negotiations with several third country sugar producers, notably the Cotonou negotiations (ACP), with LDCs and Mercosur.
- The outcome of any future WTO trade liberalization agreement could have a substantial impact on the sugar regime. Key questions include whether the EU would have to lower tariffs for sugar, whether sugar would be considered a sensitive product with a lower rate of tariff reduction and the future status of export subsidies. While Commissioner Fischler has said that the EU is prepared to negotiate away the right to use export subsidies on products of interest to developing countries, it is unclear that the EU would be prepared to agree to sugar being on this list.
- The WTO Panel requested by Brazil, Australia and Thailand on aspects of the Sugar CMO is due to report in September. These countries challenged two aspects – they argue that C sugar (over quota sugar production that must be exported) effectively benefits from a cross subsidization from A and B quota sugar, so that it is effectively a form of export subsidy. This argument draws on the precedent created by the WTO Canada Dairy case. The second argument that the WTO panel is evaluating is the status of the 1.6 MMT of ACP sugar that the EU imports per year and exports a corresponding level with subsidies, but for which the EU did not reduce its export subsidy commitments, nor does it include these export subsidies in its WTO notifications of export subsidies.
- Internal factors – possible compensation to sugar growers for price cuts. This may also apply to ACP growers who would like to receive compensation should their access to EU markets at high guaranteed minimum prices be reduced.

The results of the WTO panel called by Australia, Brazil and Thailand over aspects of the EU's sugar regime is expected in September. However, should the EU lose the case, they can still appeal which would push back the deadline by at least a further six months.

Australia, Brazil and Thailand argue that the C sugar system operates as a form of export subsidy to sugar processors, in that they are provided with an input below its market value. As C sugar must eventually be exported, the complainants argue that this acts as an export subsidy.

The Commission has acknowledged that there would be growing pressure from preferential imports, even if quotas were applied to them, as well as an expected reduction in EU exports, linked also to the future status of export refunds under the Doha Development Negotiations. However, the Commission is also worried that the EU market might be destabilised if there were no means of regulating the entry price for preferential sugar.

The EBA countries⁷ have asked that the current raw sugar quota be maintained until 2015/16 and that a second TRQ be opened in 2004/05 for 466,033 MT, rising by 15% per year to reach a maximum of 1,425,033 by 2012/13. This would replace the EU's commitment to fully liberalize imports from EBA by 2008/09. Under the current raw sugar quota, the EBA countries receive a minimum price of €498, however, this is only guaranteed up to 2005/06 when the current sugar regime runs out. It is not known whether this price guarantee would still be available under the new regime. With full liberalization, it is unlikely that the EU could allow EBA sugar to receive this type of high minimum price, thus some of the benefits of EU access would be lost for EBA producers. See GAIN Report E23220 and E23237 for more details.

The Commission has also explained that the budget currently set aside for the sector would represent the total amount of funding available for compensation as a whole. (See the below table for more detail, the main element is export refunds).

Further, Russell Mildon, Director for Crop Products at DG Agriculture is quoted at a recent conference as saying that "it would be very odd" if the new sugar regime plan did not reflect the philosophy of the 2003 CAP Reform Agreement. This could be interpreted to mean that the Commission is looking at lower support prices combined with decoupled aid payments to beet growers.

Sugar Expenditure in the EU Budget, 2004 Appropriations, Euro Millions

Export refunds for sugar and isoglucose	1,285m
Production refunds on sugar used in the chemical industry	194m
Refunds on non-Annex 1 Products (sugar)	193m
Measures to aid the disposal of raw sugar	18m
Adjustment aid for the refinery industry	41m
Other	-10m
Total	1,711m

Isoglucose

⁷ EBA – or Everything but Arms – is a package to provide tariff free access to EU markets for all goods, except armaments. The beneficiaries are the 48 Least Developed Countries, generally the poorest, small (under 75 million population) countries who are dependant on no more than one commodity for the bulk of their exports.

Forthcoming studies commissioned by the European Commission evaluate the prospects of the isoglucose market in various EU countries. According to these studies, the production cost of isoglucose 42 is around €350/MT (€150 for raw material inputs and €200 for processing costs). The average EU production cost of isoglucose 55, which has the same sweetness as sugar, is €380/MT, with a variation across the EU from between €330 to €460/MT. In the NMS, the cost of production is reported as less than €300/MT.

At present, EU production of isoglucose is limited by quota to 500,000 MT (300,000 MT in the EU-15 and a further 200,000 MT in Poland, Hungary and Slovakia). In estimating the impact of full liberalization of the isoglucose sector, the example of the United States is taken where 50% of the sweeteners market has been captured by isoglucose and it took ten years to realize this potential. The studies argue that isoglucose could, if fully liberalized, gain around 30 to 40% of the EU sweetener market, roughly 5 MMT of isoglucose (6 MMT for the EU-25).

In order to increase isoglucose output, new starch manufacturing capacity would be required, the studies calculate that €370/MT would be the trigger point to make investment in new capacity profitable.

This gives the conclusion that isoglucose, under a situation where its production were liberalized, would be a highly competitive product and that even if the price of sugar were to fall, would continue to be a profitable product.

Annex One - Balance Sheets for EU-15, NMS-10 and EU-25**Centrifugal Sugar Balance Sheets for EU-15, NMS-10 and EU-25**

	EU-15			NMS-10			EU-25		
	02/03	03/04	04/05	02/03	03/04	04/05	02/03	03/04	04/05
Beginning Stocks	2717	3864	3256	783	917	1082	3500	4781	4339
Beet Sugar Production	18405	16211	16209	3668	3244	3405	22073	19455	19614
Cane Sugar Production	266	295	295	0	0	0	266	295	295
TOTAL Sugar Product'n	18671	16506	16504	3668	3244	3405	22339	19750	19909
Raw Imports	1613	1750	1750	7	7	7	1620	1757	1757
Refined Imp.(Raw Val)	471	250	250	305	600	250	776	850	500
TOTAL Imports	2084	2000	2000	312	607	257	2396	2607	2257
TOTAL SUPPLY	23472	22370	21760	4763	4768	4745	28235	27138	26505
Raw Exports	3	3	3	70	10	0	73	13	3
Refined Exp.(Raw Val)	5278	4700	4700	560	460	525	5838	5160	5225
TOTAL EXPORTS	5281	4703	4703	630	470	525	5911	5173	5228
Human Dom. Cons'n	14316	14400	14400	3200	3200	3200	17516	17600	17600
Other Disappearance	11	11	11	16	16	16	27	27	27
Total Disappearance	14327	14411	14411	3216	3216	3216	17543	17627	17627
Ending Stocks	3864	3256	2646	917	1082	1004	4781	4338	3650
TOTAL DISTRIBUTION	23472	22370	21760	4763	4768	4745	28235	27138	26505

Note: NMS trade includes trade among different acceding EU countries, as well as trade between the EU-15 and the NMS for the EU-25.

Sugar Beet Balance Sheets for EU-15, NMS-10 and EU-25

	EU-15			NMS-10			EU-25		
	02/03	03/04	04/05	02/03	03/04	04/05	02/03	03/04	04/05
Area Planted	1900	1781	1668	514	495	499	2413	2276	2167
Area Harvested	1900	1781	1668	514	495	499	2413	2276	2167
Production	117681	96058	99611	22954	18913	21137	140635	114971	120748
TOTAL SUPPLY	117681	96058	99611	22954	18913	21137	140635	114971	120748
Utilization for Sugar	114297	92060	95911	22954	18913	21137	137251	110973	117048
Utilizatn for Alcohol	3385	3998	3700	0	0	0	3385	3998	3700
TOTAL UTILIZATION	117681	96058	99611	22954	18913	21137	140635	114971	120748

Source: FAS/USEU Estimates